



FOR IMMEDIATE RELEASE

14 May 2007

2008 ANNUAL GENERAL MEETING OF SHAREHOLDERS

Modern Times Group MTG AB (publ.) ('MTG' or 'the Group'), the international entertainment broadcasting group, today announced that the 2008 Annual General Meeting of MTG shareholders, which was held today in Stockholm, voted to support all of the resolutions proposed to the Meeting.

The Meeting resolved to re-elect Asger Aamund, Mia Brunell Livfors, David Chance, David Marcus, Cristina Stenbeck and Pelle Törnberg as members of the Board of Directors, and to elect Simon Duffy and Alexander Izosimov as new members of the Board of Directors. David Chance was re-elected as Chairman of the Board. Nick Humby and Lars-Johan Jarnheimer had declined re-election.

The Meeting discharged the Board of Directors and the CEO from liability for the full year 2007.

The Meeting also approved the procedure for the nomination of members of the Board of Directors to the 2009 AGM. The Nomination Committee shall be formed during September 2008, in consultation with the Group's largest shareholders at that time, and shall consist of at least three members. The composition of the Committee will be communicated in the Group's interim report for the third quarter and nine months ended 30 September 2008.

The Meeting approved the Board of Directors' proposal that an ordinary dividend of SEK 5 per share and an extraordinary dividend of SEK 10 per share be paid to shareholders as at the record date of Monday 19 May 2008, and that the remainder of the Groups retained earnings for the year ended 31 December 2007 be carried forward into the Group's accounts for 2008.

The Meeting approved the guidelines on remuneration for senior executives, as well as the proposed remuneration for the Board of Directors.

The Meeting also approved the Board of Directors' proposal to decide on a reduction of the Company's equity reserves by SEK 523 million from SEK 531 million to SEK 8 million, and that the SEK 523 million be transferred to the Company's non-restricted equity.

The Meeting approved the Board of Directors' proposal that the Meeting should resolve to reduce the Company's share capital by SEK 7,585,000, by means of the redemption without

repayment of the 1,517,000 Class B shares that the Company has repurchased since the 2007 Annual General Meeting and that the redeemed amount shall be transferred to non-restricted equity.

The Meeting approved the Board of Directors' proposal that the Board be able to pass a resolution on one or more occasions for the period up until the next Annual General Meeting to repurchase Class A and/or Class B shares, provided that the Company's holding does not at any time exceed 10 per cent of the total number of issued and outstanding shares. Any such repurchase shall be made on the OMX Nordic Exchange in Stockholm within the quoted share price spread at the time.

The Meeting approved the Board of Directors' proposal to adopt a performance-based incentive plan ("The Plan"). The Plan is proposed to include a total of approximately 50 senior executives and other key employees within MTG who are required to own shares in MTG, in order to participate in the Plan.

For each share invested under the Plan, participants will be granted retention rights, performance rights and performance options by the Company. Subject to the fulfilment of certain retention and performance-based conditions between 1 April 2008 and 31 March 2011, and provided that the participant remains in the employment of MTG and retains the initial shareholding, each retention right and performance right will entitle the participant to receive one Class B share, and each performance option will entitle the participant to purchase one Class B share at a price corresponding to 120 per cent of the share price at grant.

The retention rights, performance rights and performance options are divided into Series A retention shares and Series B, Series C and Series D performance shares and performance options, and the performance criteria for each of the three years are as follows:

- *Series A:* Class B share total shareholder return to exceed 0 per cent
- *Series B:* Normalised return on capital employed (ROCE) of between 15 per cent and 25 per cent
- *Series C:* Organic EBIT growth, of between 12 per cent and 25 per cent per annum for the twelve months ended 31 December 2008, 2009 and 2010
- *Series D:* Class B share total shareholder return equivalent to between the average and ten per cent above that of the peer group of CME, ITV, M6, Mediaset, ProSieben, RTL Group, Sky, Sogecable, TF1 and TVN

The range is set between an "entry level" and "stretch target", with a linear interpolation to be applied between these levels for the performance rights and options. The entry level must be exceeded for the retention rights, performance rights and performance options to vest each year.

In total, the Plan is estimated to comprise up to 25,000 shares held by employees, which would entitle participants to rights to up to a maximum of 12,500 retention shares, 131,000 performance shares and 262,000 performance options. The Plan, if granted and exercised in

full, would give rise to a maximum dilution of 0.7 per cent of the outstanding shares and 0.2 per cent of the votes in MTG.

The objective of the approved Plan is to create conditions to recruit and retain high performing employees in the Group, and the Plan has been designed with the view that it is desirable for senior MTG executives and other key employees to be shareholders in MTG. Participation in the Plan requires a personal investment by each participant. Under the Plan, employee loyalty is rewarded and long-term value creation is facilitated by linking employee remuneration to the development of the Group.

In order to ensure the delivery of the Class B shares to participants under the Plan and in order to hedge any related social security costs, the Meeting approved the Board of Director's proposal to amend the Group's Articles of Association in order to introduce a new class of shares – Class C shares. The new class of shares entitle the holder to one vote per share, but not to any dividend payments. No more than 238,400,000 Class C shares may be issued. The Class C shares will not be listed and may not be traded.

The Meeting also resolved to authorise the Board, during the period until the next Annual General Meeting, to increase the Group's share capital by not more than SEK 2,400,000 through the issue of no more than 480,000 Class C shares, each with a ratio value of SEK 5. With disapplication of the shareholders' preferential rights, Nordea Bank AB (publ) shall be entitled to subscribe for the new Class C shares at a subscription price corresponding to the ratio value of the shares. The purpose of the authorisation and the reason for the disapplication of the shareholders' preferential rights in connection with the share issue is to ensure delivery of Class B shares to participants under the Plan and to hedge any social security costs related thereto.

The Meeting also resolved to authorise the Board to repurchase its own Class C shares during the period up until the Annual General Meeting 2009. The repurchase may only be effected through a public offer directed to all holders of Class C shares and shall comprise all outstanding Class C shares. The purchase may be affected at a purchase price corresponding to no less than SEK 5.00 and no more than SEK 5.10. The total price will not exceed SEK 2,448,000 and payment shall be made in cash. The purpose of the repurchase is to ensure the delivery of Class B shares under the Plan. The Meeting further resolved that Class C shares which the Group purchases through the authorisation to repurchase its own shares, following reclassification into Class B shares, may be transferred to participants in accordance with the terms of the Plan.

At a statutory meeting of the Board of Directors following the AGM, the Audit and Remuneration Committees were appointed. Simon Duffy was appointed as Chairman of the Audit Committee, with David Marcus and Alexander Izosimov appointed as Committee members. Asger Aamund was re-appointed as Chairman of the Remuneration Committee, and David Chance, David Marcus and Mia Brunell Livfors were appointed as Committee members.

At the statutory meeting, the Board of Directors also resolved to utilise the authorization provided by the 2008 Annual General Meeting for the Company to buy back its Class A and Class B shares up until the date of the 2009 Annual General Meeting.

For further information, please visit www.mtg.se, email investor.relations@mtg.se, or contact:

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Modern Times Group is a leading international entertainment broadcasting group with the second largest geographical broadcast footprint in Europe. MTG's Viasat Broadcasting is the largest free-TV and satellite premium pay-TV operator in Scandinavia and the Baltics, and also operates channels in the Czech Republic, Hungary, Slovenia and the Balkans. MTG's TV assets are broadcast in a total of 24 countries and reach over 100 million people. MTG is also the major shareholder in Russia's largest independent television network (CTC Media - NASDAQ: CTCM), and the number one commercial radio operator in the Nordic and Baltic regions.

Modern Times Group MTG AB class A and B shares are listed on the OMX Nordic Exchange Large Cap market ('MTGA' and 'MTGB').

The information in this announcement is that which Modern Times Group MTG AB is required to disclose under the Securities Market Act and/or the Financial Instruments Trading Act. It was released for publication at 12.20 CET on 14 May 2008.